

## **Department of Planning and Budget**

### **2008 Fiscal Impact Statement**

**1. Bill Number:** HB507

House of Origin	<u>  X  </u>	Introduced	<u>    </u>	Substitute	<u>    </u>	Engrossed
Second House	<u>    </u>	In Committee	<u>    </u>	Substitute	<u>    </u>	Enrolled

**2. Patron:** Hamilton

**3. Committee:** House Transportation

**4. Title:** **Revises enabling legislation of the Hampton Roads Transportation Authority.**

**5. Summary:** The proposed legislation revises several pieces of the enabling legislation creating the Hampton Roads Transportation Authority (the Authority). The number of members needed for a quorum at meetings of the authority and the number of affirmative votes required to conduct the business of the Authority is raised from a majority representing 51 percent of the population to three-quarters of the voting members. The bill also amends projects the Authority may undertake by eliminating references to the components of the Third Crossing listed under second phase projects and adding improvements to the Hampton Roads Bridge Tunnel and other projects in the regional plan. The bill also alters the revenue streams of the Authority by eliminating the 5 percent sales and use tax on vehicle repairs, the initial vehicle registration fee, the congestion relief fee, and the increased commercial real estate tax. The bill increases the tax on motor fuels from 2 percent to 5 percent, the car rental fee from 2 percent to 5 percent, and the annual vehicle license fee from \$10 to \$50.

**6. Fiscal Impact Estimates:** Preliminary. See Item 8.

**7. Budget Amendment Necessary:** None.

**8. Fiscal Implications:** The proposed legislation does not impact state revenues, as the Hampton Roads Transportation Authority is a separate entity. Some state agencies are involved in the collection of certain revenue streams of the Authority. The cost of collection is recovered from collected revenues; therefore there is no expenditure impact to the Commonwealth. The table below illustrates the change in estimated revenue based on the revenues as passed by the General Assembly in House Bill 3202, Chapter 896 of the 2007 Acts of Assembly.

**HB507 Hampton Roads Transportation Authority\***

(millions of dollars)

	<u>Rate Change</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Retail Motor Fuels Sales Tax	5%	109.1	117.3	105.8	109.2	113.6	117.8
Motor Vehicle Rental Tax	5%	7.7	8.7	9.0	9.3	9.6	9.9
Local Vehicle Registration Fee	\$50	62.1	67.7	67.7	67.7	67.7	67.7
Vehicle Inspection Fee	\$10	12.5	12.5	12.5	12.5	12.5	12.5
<b>Hampton Roads Total</b>		<b>\$ 191.4</b>	<b>\$ 206.2</b>	<b>\$ 195.0</b>	<b>\$ 198.8</b>	<b>\$ 203.5</b>	<b>\$ 208.0</b>
<b>Total HR HB3202</b>		<b>202.1</b>	<b>206.1</b>	<b>207.3</b>	<b>209.2</b>	<b>211.1</b>	<b>211.1</b>
<b>Revenue Impact HB507</b>		<b>\$ (10.8)</b>	<b>\$ 0.1</b>	<b>\$ (12.4)</b>	<b>\$ (10.4)</b>	<b>\$ (7.7)</b>	<b>\$ (3.1)</b>

*\*All provisions effective 7/1/2008*

**9. Specific Agency or Political Subdivisions Affected:** Department of Taxation, Department of Motor Vehicles, Department of Transportation, Hampton Roads Transportation Authority, Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the counties of Isle of Wight, James City and York.

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** The Authority will begin collecting taxes and fees as authorized by the 2007 General Assembly in April 2008. The revised taxes and fees will take effect July 1, 2008. Some of the revenue sources may be collected for a short period of time before they are repealed by the proposed legislation.

SB 176 also amends the provisions of the legislation regarding the Hampton Roads Transportation Authority. HB1444 and SB 676 abolish the Authority.

**Date:** 1/23/2008 dpb/smc

**Document:** G:\GA\FIS 2008\HB507.doc

cc: Secretary of Transportation